

Manually Signed

Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of November 2001

Jilin Chemical Industrial Company Limited

(Translation of registrant's name into English)

Jilin City, Jilin Province,
People's Republic of China

(Address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.]

Form 20-F X Form 40-F _____

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.]

Yes _____ No X

[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g-2(b)] Not Applicable.

PROCESSED

JAN 29 2002

**THOMSON
FINANCIAL**



Jilin Chemical Industrial Company Limited, a joint stock limited company organized under the laws of the People's Republic of China (the "Company"), hereby files the following document pursuant to rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934:

- a. An announcement by the Company on November 15, 2001.

NOTICES

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED

吉林化學工業股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

CONNECTED TRANSACTIONS
WITH
PETROCHINA COMPANY LIMITED
AND
CHANGE OF ARTICLES OF ASSOCIATION

The Board is pleased to announce details of certain on-going connected transactions between the Company and PetroChina Company Limited, the immediate holding company of the Company. These connected transactions comprise of (i) Purchase of crude oil; (ii) Purchase of production materials (naphtha, benzene, methanol and other miscellaneous production materials); (iii) Sale of petroleum products (gasoline and diesel oil) and (iv) Sale of Petrochemical Products. These transactions with PetroChina constitute connected transactions (as defined in the Listing Rules) of the Company. The Company will, subject to the terms and conditions specified below, apply to the Stock Exchange for waivers from strict compliance with the Listing Rules.

The on-going connected transactions were previously entered into between the Company and Jilin Group (the former parent of the Company), and were covered by waivers granted by the Stock Exchange at the time of listing of the Company. Pursuant to the restructuring of the PRC oil and petrochemical industry in 1998, Jilin Group and certain oilfield operators and petroleum sales companies located in northeastern China, who had ongoing business relationships with the Company since the date of its incorporation as a joint stock company in December 1994, became subsidiaries of CNPC, and CNPC became the ultimate holding company of the Company. In 1999, the Company was granted waivers from strict compliance with the Listing Rules in relation to transactions with CNPC and Jilin Group. As announced by the Company on 5 November, 1999, CNPC incorporated PetroChina on 5 November, 1999 and transferred substantially all of its assets, liabilities and interests in connection with the exploration, development and production of offshore crude oil and natural gas, the refining, transportation, storage and marketing of crude oil and refined products, the production and sale of chemicals and the transmission, marketing and sale of natural gas. After careful consideration, the Stock Exchange confirmed that the original waivers granted to the Company in respect of the transactions with CNPC will remain valid. As the waivers will expire at the end of 2001, the Company will make an application to the Stock Exchange for the grant of waivers from strict compliance with the disclosure and/or independent shareholders' approval requirements under the Listing Rules in respect of the on-going connected transactions set out below.

The on-going connected transactions will be subject to the approval of the independent shareholders of the Company at the EGM to be convened. DBS, the independent financial adviser, will also provide independent advice in respect of the on-going connected transactions to the Independent Directors. PetroChina and its associates will abstain from voting at the EGM in connection with resolutions for (i) Purchase of crude oil; (ii) Purchase of production materials; (iii) Sale of petroleum products and (iv) Sale of Petrochemical Products. The Company proposes to amend article 3 and 11 of its articles of association.

A circular containing, inter alia, details of the on-going transactions, letter of advice from the Independent Directors and DBS and a notice convening the EGM will be dispatched to Shareholders as soon as practicable.

INTRODUCTION

The Company's principal business consists of production and sale of petroleum products, petrochemical and organic chemical products, synthetic rubber products, chemical fertilizers and other chemical products.

Pursuant to the Restructuring, Jilin Group (the former parent company of the Company) and certain oilfield operators and petroleum sales companies located in northeastern China who had ongoing business relationships with the Company since the date of its incorporation as a joint stock company in December 1994, became subsidiaries of CNPC, and CNPC became the ultimate holding company of the Company. In 1999, PetroChina was incorporated as a joint stock company with limited liability under the applicable PRC laws and regulations. CNPC has transferred to PetroChina substantially all of its assets, liabilities and interests in connection with the exploration, development and production of offshore crude oil and natural gas, the refining, transportation, storage and marketing of crude oil and refined products, the production and sale of chemicals and the transmission, marketing and sale of natural gas. PetroChina and these oilfield operators and petroleum sales companies are deemed as connected persons of the Company as defined in the Listing Rules.

SUMMARY OF CONNECTED TRANSACTIONS

Details of connected transactions which, following the Restructuring, are as follows:

- Purchase of crude oil
- Purchase of production materials (naphtha, benzene, methanol and other miscellaneous production materials)
- Sale of petroleum products (gasoline and diesel oil)
- Sale of Petrochemical Products

Purchase of crude oil

The Company purchases its crude oil requirements from oilfields located in northeastern China which are now owned and operated by PetroChina. Historically, the Company had purchased all of its crude oil requirements from these oilfields which, pursuant to the 1998 restructuring of the PRC oil and gas industry, were transferred to CNPC and subsequently to PetroChina.

The crude oil purchases are priced by PetroChina in accordance with guidelines set by SDPC. SDPC monthly guidance prices for domestic crude oil are set with reference to free on board ("FOB") Singapore prices for crude oil of different grades and customs duties. The principle is that the prices of onshore crude oil produced in China as delivered at any refinery should generally be at the same level as those of imported crude oil of similar grade as delivered at the same refinery. PetroChina may set the price for crude oil purchases by the Company within a stipulated range of 10% of the published SDPC guidance price to reflect transportation costs, the differences in oil quality, market supply and demand.

Details of the Company's purchase of crude oil from PetroChina oilfields for each of the two years ended 31 December, 2000 and estimated purchase amounts/costs for the year ending 31 December, 2001 are set out below:

Year ended 31 December, 1999			Year ended 31 December, 2000			Year ending 31 December, 2001*		
Quantity ('000 tonnes)	Cost (RMB'000)	Percentage of turnover	Quantity ('000 tonnes)	Cost (RMB'000)	Percentage of turnover	Quantity ('000 tonnes)	Cost (RMB'000)	Percentage of turnover
4,510	5,658,482	33.6%	4,500	7,330,123	59.2%	4,650	8,839,650	66.9%

* estimated amounts only (based on actual cost during the period from 1 January, 2001 to 30 June, 2001 and estimate cost from 1 July, 2001 to 31 December, 2001)

Based on the estimated unit price and the estimated quantity of purchase of crude oil, the Board expects that the aggregate value of the Company's purchases of crude oil during the year ending 31 December, 2001 will amount to RMB8,839,650,000 (approximately HK\$8,261,355,140), representing approximately 66% of the Company's turnover in 2000 of RMB13,396,247,000 (approximately HK\$12,519,857,009) and approximately 164% of the net tangible assets of the Company in 2000 of RMB5,397,374,000 (approximately HK\$5,044,274,766). Such percentage formed part of the basis for determining the annual cap for the waiver in respect of the purchase of crude oil.

Considering the fluctuation in the price of crude oil and increase in the processing volume over the course of the next few years, the Board expects the value of the Company's purchase of crude oil will increase accordingly in the period up to 2004. The annual aggregate value of the Company's purchases of crude oil in each of the three financial years ending on or before 31 December, 2004 is not expected to exceed 70% of its annual turnover in the relevant financial year. This annual cap is based on the Company's estimated amount of purchases of crude oil in 2001 and projected consumption of crude oil in the period up to 2004.

Purchase of production materials (naphtha, benzene, methanol and other miscellaneous production materials)

In addition to crude oil, the Company requires other raw materials for its production process. The Company purchases most of its production material requirements such as naphtha, benzene and methanol from PetroChina. The quantity, aggregate cost and percentage of turnover of the Company's consumption of these production materials for each of the two years ended 31 December, 2000 and estimated amounts for the year ending 31 December, 2001 are set forth below:

Year ended 31 December, 1999			Year ended 31 December, 2000			Year ending 31 December, 2001*		
Production materials	Quantity ('000 tonnes)	Cost (RMB'000)	Quantity ('000 tonnes)	Cost (RMB'000)	Percentage of turnover	Quantity ('000 tonnes)	Cost (RMB'000)	Percentage of turnover
Naphtha	299.19	444,798	42	128,748	1.2	370	884,130	5.1
Benzene	7,580	13,464	24	85,124	0.6	45	119,250	0.9
Methanol	27.73	30,761	0.3	47,967	0.35	42	64,355	0.5
Others	-	-	-	67,239	0.3	600	121,574	0.9
Total	334.43	499,213	68	429,168	4.8	1,057	989,340	7.4

* estimated amounts only (based on actual cost during the period from 1 January, 2001 to 30 June, 2001 and estimate cost from 1 July, 2001 to 31 December, 2001)

The purchase of production materials is, and will continue to be, conducted at the prevailing market prices and on terms and conditions negotiated between the Company and PetroChina on an arm's length basis.

Naphtha is used by the Company as a substitute for crude oil as cracking feedstock in the Company's production of ethylene products. The Company currently purchases to purchase 370,000 tonnes of naphtha during the year ending 31 December, 2001, as compared with 193,969 tonnes in 2000.

Benzene is used by the Company for the production of styrene and naphthalene. The Board expects that the total consumption of benzene during the year ending 31 December, 2001 will be approximately 150,000 tonnes, of which up to 45,000 tonnes (approximately 30% of its requirement) will be purchased from PetroChina. The estimated increase in consumption of benzene during the year ending 31 December, 2001 is due to the commencement of operations of certain styrene production facilities.

Methanol is used by the Company for the production of formaldehyde and other petrochemical products. Before 31 December, 1998, all of the Company's consumption of methanol was produced by the Company's processing plants. Due to the decreasing market price of methanol, which has fallen below the Company's cost of production of methanol, the Company has decided to purchase all of its methanol requirements from PetroChina.

Other production materials mainly include steam and other production materials. PetroChina provides all the steam use in the ethylene plant of the Company. Steam purchases are priced based on terms and conditions negotiated in the ordinary course of business of the Company.

Based on the estimated unit price and the estimated quantity of purchase of each type of production materials, the Board expects that the aggregate value of the Company's purchases of production materials during the year ending 31 December, 2001 will amount to RMB989,340,000 (approximately HK\$924,616,822), representing approximately 7.4% of the Company's turnover in 2000 of RMB13,396,247,000 (approximately HK\$12,519,857,009) and approximately 18.3% of the net tangible assets of the Company in 2000 of RMB5,397,374,000 (approximately HK\$5,044,274,766). Such percentage formed part of the basis for determining the annual cap for the waiver in respect of the purchase of production materials.

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As the expansion project for the 300,000 t/a ethylene unit is expected to be completed in November this year, which purchase of naphtha is expected to increase from the estimated 370,000 tonnes in 2001 to 1,200,000 tonnes in 2004, the Board expects purchases of production materials to increase accordingly. The annual aggregate value of the Company's purchases of production materials in each of the three financial years ending on or before 31 December, 2004 is not expected to exceed 17% of its annual turnover in the relevant financial year. This annual cap is based on the Company's current production level, the estimated amount of purchases of production materials in 2001 and an anticipated increase in the price of crude oil which will generally affect the prices of these production materials.

Sale of petroleum products (gasoline and diesel oil)

SDPC sets the domestic guidance prices for gasoline and diesel oil with reference to FOB Singapore, Rotterdam and New York prices, including import costs, insurance, freight and other ancillary costs. When the fluctuation in the monthly weighted average prices of gasoline and diesel in the Singapore, Rotterdam and New York markets exceeds a certain amount, the prices of domestic petroleum products will be adjusted accordingly. PetroChina may set the retail price within 8% of the published guidance prices.

Historically, approximately 95% of the Company's gasoline and diesel oil were sold to petroleum sales companies located in northeastern China, which are now consolidated into CPSC. CPSC has been one of the Company's major and long-standing customers since the date of establishment of the Company as a joint stock limited company in December 1994. After the Restructuring, CPSC became the only entity that is authorised to purchase and distribute gasoline and diesel oil in northeastern China. As a result, the Company can only sell its gasoline and diesel oil to CPSC. The Board considers such sale of gasoline and diesel oil to be beneficial to the Company.

Details of the Company's sale of gasoline and diesel oil to CPSC for the two years ended 31 December, 2000 and estimated sales for the year ending 31 December, 2001 are set out below:

	Year ended 31 December, 1999			Year ended 31 December, 2000			Year ending 31 December, 2001*		
	Quantity (tonnes)	Sale (RMB million)	Percentage of turnover	Quantity (tonnes)	Sale (RMB million)	Percentage of turnover	Quantity (tonnes)	Sale (RMB million)	Percentage of turnover
Gasoline	807,760	1,481	14	805,805	1,813	10.8	843,870	2,348	17.3
Diesel oil	943,080	1,729	16.38	1,007,261	2,407	13.9	1,019,040	2,784	20.8
Total	1,750,840	3,210	30.38	1,813,066	4,210	24.7	1,862,910	5,132	38.1

* estimated amounts only (based on actual sales during the period from 1 January, 2001 to 30 June, 2001 and estimate sales from 1 July, 2001 to 31 December, 2001)

Based on the estimated unit price and the estimated quantity of sale of gasoline and diesel oil, the Board expects that the aggregate value of the Company's sales of gasoline and diesel oil during the year ending 31 December, 2001 will amount to RMB1,862,910,000 (approximately HK\$1,735,514,440), representing approximately 38.3% of the Company's turnover in 2000 of RMB13,396,247,000 (approximately HK\$12,519,857,009) and approximately 95.1% of the net tangible assets of the Company in 2000 of RMB5,397,374,000 (approximately HK\$5,044,274,766). Such percentage formed part of the basis for determining the annual cap for the waiver in respect of the sales of gasoline and diesel oil.

Following the increase in the processing volume of crude oil and the improvement of the production process of residue oil, the Board expects the volume of gasoline and diesel oil to increase from the estimated 1,860,000 tonnes in 2001 to 2,210,000 tonnes in 2004 accordingly. The annual aggregate value of the Company's sales of gasoline and diesel oil in each of the three financial years ending on or before 31 December, 2004 is not expected to exceed 35% of its annual turnover in the relevant financial year. This annual cap is based on the current demand of the sale of gasoline and diesel oil, the estimated amount of sales of gasoline and diesel oil in 2001 and an anticipated increase in the level of sales.

Sale of Petrochemical Products

The quantity, aggregate value and percentage of turnover of the Company's sales of Petrochemical Products for each of the two years ended 31 December, 2000 and are set forth below:

Year ended 31 December, 1999			Year ended 31 December, 2000			Year ending 31 December, 2001*		
Petrochemical Products	Quantity ('000 tonnes)	Value (RMB'000)	Percentage of turnover	Quantity ('000 tonnes)	Value (RMB'000)	Percentage of turnover	Quantity ('000 tonnes)	Value (RMB'000)
Acetic Acid	10,439	27,142	0.3	4,184	14,183	0.1	-	-
Propylene	N/A	N/A	N/A	93,823	36	2.25	-	-
1-Butene	7,577	16,542	0.2	13,47	74,581	0.56	-	-
Xylene	30	76,923	0.7	32	84,669	0.63	-	-
Liquid Ammonia	2,038	2,944	0.03	1,03	1,312	0.01	-	-
Residual Oil	29,276	45,495	0.4	18	21,185	0.16	-	-
Ethylene	N/A	N/A	N/A	244	1,659,822	12.39	-	-
Butadiene	N/A	N/A	N/A	63	84,377	0.63	-	-
Styrene	N/A	N/A	N/A	63	532,907	3.98	-	-
7#Fuel Oil	N/A	N/A	N/A	18	30,222	0.2	-	-
Others	N/A	N/A	N/A	N/A	111,537	0.8	-	-
Total	74.51	169,046	1.63	494.7	2,916,387	21.71	-	-

Details of the estimated sales of Petrochemical Products to PetroChina during the year ending 31 December, 2001 are set forth below:

Year ended 31 December, 2000			Year ending 31 December, 2001*		
Petrochemical Products	Estimated quantity ('000 tonnes)	Estimated unit price (RMB/tonne)	Estimated amount (RMB'000)	Estimated percentage of 2001 turnover	Pricing policy
Acetic Acid	132.24	3,418	456,996	3.4	Market Price
Propylene	27.3	3,170	86,541	0.7	Market Price
1-Butene	22	5,400	118,800	0.9	Market Price
Xylene	42.58	2,900	123,482	0.9	Market Price
Fuel Oil	5,448	1,238	6,744,462	5.0	Market Price
Styrene	85.47	4,400	376,068	2.8	Market Price
Ethylene	247	4,800	1,185,600	8.9	Market Price
Butadiene	19.3	5,200	100,360	0.7	Market Price
n-lylene	114.57	3,358	384,276	2.9	Market Price
Ethylene tar	15	1,386	20,790	0.2	Market Price
Others	-	-	200,944	1.5	Market Price
Total	6,153.46	-	3,737,601	27.9	-

The sale of Petrochemical Products is, and will continue to be, conducted at the prevailing market prices, and on terms and conditions negotiated between the Company and PetroChina on an arm's length basis. Because of the adjustment of production mix, the Company discontinued the sale of liquid ammonia.

Based on the estimated unit price and the estimated quantity of sales of each type of Petrochemical Products, the Board expects that the aggregate value of the sales of Petrochemical Products during the year ending 31 December, 2001 will amount to RMB3,737,601,000 (approximately HK\$3,493,085,000), representing approximately 27.9% of the Company's turnover in 2000 of RMB13,396,247,000 (approximately HK\$12,519,857,000) and approximately 69.2% of the net tangible assets of the Company in 2000 of RMB5,397,314,000 (approximately HK\$5,044,274,766). Such percentage formed part of the basis for determining the annual cap for the waiver in respect of the sales of Petrochemical Products.

Following the reorganisation of CNPC, certain production facilities using the Company's products as raw materials, owned by Jilin Group were transferred to PetroChina. As a result, the transactions between the Company and PetroChina in relation to the sales of Petrochemical Products increased significantly. The annual aggregate value of the Company's sales of Petrochemical Products in each of the three financial years ending on or before 31 December, 2004 is not expected to exceed 33% of its annual turnover in the relevant financial year. This annual cap is based on the Company's current production level, the estimated amount of sales of Petrochemical Products in 2001 and the projected increase in the sales of Petrochemical Products.

As the on-going connected transactions will be conducted in the ordinary and usual course of business of the Company, consideration of such transactions will be settled by cash each time any such transaction occurs.

REASONS AND BENEFITS

The PRC Government is responsible for the allocation of all domestically produced crude oil to domestic crude oil users. In the case of the Company, its allocation of crude oil is mainly sourced from the Oilfields because of the proximity of the Oilfields and the good quality of crude oil supplied by the Oilfields, which is suitable for the production requirements of the Company. The Oilfields are major oilfield operators in northeastern China and have been designated as the main suppliers of crude oil to all crude oil users in the same region. This closely located source of crude oil is an important operating advantage of the Company. As disclosed in the Circulars, the Company has constructed a network of crude oil pipelines which connect the Oilfields to the Company's processing plants, delivering approximately 80% of its annual crude oil consumption from the Oilfields. With these arrangements in place, the Oilfields provide an efficient supply of crude oil to meet the Company's production requirements. The Company has not experienced any material disruption to its supply of crude oil.

The sale of Petrochemical Products and the purchase of production materials are conducted in the ordinary and usual course of business of the Company. Due to the long-term relationships between the Company and the relevant subsidiary of PetroChina, the Board believes that it will be beneficial to the Company to continue the businesses with them.

TERMS AND CONDITIONS OF THE WAIVERS BEING SOUGHT

The aggregate value of each of the abovementioned on-going transactions in each of the three years from 1 January, 2002 to 31 December, 2004 is expected to exceed 3% of the Company's net tangible assets of the relevant financial year and these transactions constitute connected transactions of the Company which, to the extent of such excess amount, would normally require disclosure by way of press announcement and prior approval of the independent Shareholders each time any such transaction occurs pursuant to Chapter 14 of the Listing Rules.

As the on-going connected transactions will be conducted in the ordinary and usual course of business of the Company and are expected to occur frequently, the Board considers that it will not be practical to make disclosures and to obtain prior approval of the independent Shareholders each time any such transaction occurs. The Company will therefore apply to the Stock Exchange for waivers upon the following terms and conditions:-

- details of the transactions, including the date, the identity of the parties, a brief description of the transactions and their purposes, the consideration, the nature of the parties' relationship and the extent of interest of the connected persons, as set out in rule 14.25(1)(A) through (D) of the Listing Rules, shall be disclosed in the Company's annual report in each successive period;
- the independent Directors shall review annually the transactions and confirm in the Company's annual report that:
 - the transactions have been entered into in the ordinary and usual course of business of the Company;
 - the transactions have been entered into on terms that are fair and reasonable so far as the independent Shareholders are concerned;
 - the transactions have been entered into on normal commercial terms and either (i) in accordance with the terms of the agreement governing such transactions or (2) (where there is no such agreement) on terms no less favourable than terms available to third parties; and
 - where applicable, the transactions have been entered into within the proposed limit stated in condition (c) below.
- the auditors of the Company shall review annually the transactions, details of which shall be set forth in the Company's annual report and accounts and confirm in the Company's annual report as well as provide the Directors with a letter (a copy of which will be provided to the Stock Exchange) stating that:
 - the transactions have been duly approved by the Board; and
 - the transactions have been conducted in the manner as stated in paragraph (b)(iii) and (iv) above.

The Company will notify the Stock Exchange as soon as possible if the auditors decline to conduct the review or are unable to provide the letter mentioned in this clause C.

- that independent Shareholders approve the connected transactions at the EGM of PetroChina and its associates will abstain from voting at the EGM in relation to the transactions for (i) Purchase of crude oil; (ii) Purchase of production materials; (iii) Sale of petroleum products and (iv) Sale of Petrochemical Products;
- in relation to the sale transactions and purchase transactions, the total annual revenue or expenditure in respect of each of these categories of transactions will not exceed the proposed annual limits set out in the following table:

Category of Connected Transactions	Proposed annual limit
Purchase of crude oil from PetroChina	70%
Purchase of production materials (naphtha, benzene, methanol and other miscellaneous production materials) from PetroChina	17%
Sale of petroleum products (gasoline and diesel oil) to PetroChina	35%
Sale of Petrochemical Products to PetroChina	33%

The Stock Exchange has indicated that if any of the material terms of the agreements or arrangements referred to above are altered (unless as provided for under the terms of the relevant agreement or arrangement) or if the Company and its

subsidiaries enters into any new agreements or arrangements with any connected persons (within the meaning of the Listing Rules) in the future under which the aggregate consideration paid or payable by the Company and its subsidiaries in each year exceeds the limits referred to above, the Company must comply with the provisions of the Listing Rules dealing with connected transactions unless it applies for and obtains a separate waiver from the Stock Exchange.

GENERAL

The Company will propose to amend article 3 and 11 of the Company's articles of association as follows:

- "Article 3 The Company's residence is: No. 9 Longtan Street, Longtan District, Jilin City, Jilin Province, China.
Telephone: (0432) 390 3651
Facsimile: (0432) 306 8982"

- "Article 11 The scope of business of the Company includes the manufacture and sale of the following products: petroleum products, petrochemical and organic chemical products, synthetic rubber, chemical fertilizers and other chemical engineering products, and the development, transfer, and the provision of technical consultation services and other related services in relation to the production processes of the Company products.

Subject to the provisions of the applicable laws in the PRC, the Company is empowered to raise or borrow money including, but without limitation, by the issue of bonds, and to mortgage or charge its undertaking or property or any part thereof, and to provide guarantees or give security for the obligations of any third party (including, without limitation, the Company's subsidiaries or associated companies), in each case according to the discretion of the board of directors (except where the laws and administrative regulations require shareholders' approval)."

A circular containing details of the on-going transactions, letter of advice from the independent Directors and DBS and a notice convening the EGM will be despatched to Shareholders as soon as practicable.

DEFINITIONS

- "Board" the board of Directors
- "Circulars" two shareholder circulars issued by the Company, which are a shareholder circular dated 18 January, 1999 relating to the purchase of crude oil and sale of gasoline and diesel oil and a shareholder circular dated 5 January, 1999 relating to the sale and purchase transactions with the relevant subsidiary of CNPC
- "CNPC" China National Petroleum Corporation, a state-owned enterprise established in the PRC, which, pursuant to the Restructuring, oversees the exploration and development of oil and natural gas resources, refining, transportation, marketing of crude oil and refined products
- "Company" Jilin Chemical Industrial Company Limited, a joint stock limited company incorporated in the PRC with H Shares listed on the Stock Exchange
- "CPSC" China Petroleum Sales (Northeast) Company, a wholly-owned subsidiary of PetroChina; pursuant to the Restructuring, CPSC was formed to consolidate all petroleum sales companies located in northeastern China
- "DBS" DBS Asia Capital Limited, an investment adviser and a dealer registered under the Securities Ordinance (Cap. 333 of the Laws of Hong Kong), which has been appointed as the independent financial adviser to the independent board committee
- "Directors" the directors of the Company
- "EGM" the extraordinary general meeting of the Company to be held on 30 December, 2001
- "HK\$" Hong Kong dollars, the lawful currency of Hong Kong
- "Independent Directors" the independent non-executive directors of the Company
- "Jilin Group" Jilin Chemical Group Company, a subsidiary of CNPC
- "Listing Rules" The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
- "Oilfields" Daqing Oilfield in Heilongjiang province and Jilin Oilfield in Jilin province, the PRC, which were wholly-owned by CNPC and transferred to PetroChina subsequently pursuant to the Restructuring
- "Petrochemical Products" petrochemical products including ethylene, acetic acid, propylene, styrene, butadiene, 1-butene, xylene, fuel oil, n-xylene, ethylene tar and other miscellaneous products
- "PetroChina" PetroChina Company Limited, a subsidiary of CNPC incorporated as a joint stock company with limited liability in the PRC with H Shares listed on the Stock Exchange and/or its subsidiaries
- "PRC" The People's Republic of China
- "Restructuring" the restructuring of the oil and petrochemical industry in the PRC effective from 1 July, 1998, particulars of which were disclosed by the Company by way of press announcements dated 28 July, 1998 and 19 October, 1998
- "RMB" Renminbi, the lawful currency of the PRC
- "SDPC" the State Development and Planning Commission in the PRC
- "Shareholders" the shareholders of the Company
- "Stock Exchange" The Stock Exchange of Hong Kong Limited
- "%" Per cent.

For the purpose of illustration only, the translation of RMB into Hong Kong dollars is based on the exchange rate of HK\$1.00 to RMB1.07.

By order of the board
Jiao Hailian
Chairman

Jilin, China
15 November, 2001

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "Extraordinary General Meeting") of Jilin Chemical Industrial Company Limited (the "Company") will be held on 30 December, 2001, at 9:00 a.m., at No. 9 Longtan Street, Longtan District, Jilin City, Jilin Province, The People's Republic of China, for the purpose of considering and, if thought fit, passing the following resolutions of the Company:-

As ordinary resolutions:

- THAT the determination by the board of directors of the remuneration for the appointment of PricewaterhouseCoopers (certified public accountants in Hong Kong) and PricewaterhouseCoopers Zhong Tian CPAI Company Limited (registered accountants in the PRC) as the Company's international and domestic auditors, respectively, from 19 June, 2001 to the end of the extraordinary general meeting on 30 December, 2001, be and is hereby approved;
- THAT the board of directors be approved to determine the remuneration of PricewaterhouseCoopers Zhong Tian CPAI Company Limited (registered accountants in the PRC) as the Company's international and domestic auditors, respectively, from the end of the extraordinary general meeting on 30 December, 2001 to the end of the 2001 annual general meeting;
- THAT the purchase of crude oil by the Company, from 1 January, 2002, from oilfields of PetroChina Company Limited ("PetroChina"), at the State price set by the PRC State Development and Planning Commission or any discount price to be determined between PetroChina and Sinopec Corporation, in accordance with the terms and conditions of the waiver to be granted by the Stock Exchange of Hong Kong Limited and, in particular, such that the aggregate value of the purchase of crude oil in any of the three financial years of the Company ending on or before 31 December, 2004 shall not exceed 70% of the total turnover of the Company in the relevant financial year, be and is hereby approved;
- THAT the Company's purchase of production materials (including naphtha, benzene, methanol and other miscellaneous production materials) from subsidiaries of PetroChina Company Limited ("PetroChina") from time to time, at the relevant prevailing market prices and on terms and conditions to be negotiated between the Company and the relevant subsidiaries of PetroChina, in the ordinary and usual course of business of the Company and in accordance with the terms of the waiver to be granted by the Stock Exchange of Hong Kong Limited and, in particular, such that the aggregate value of such purchase of production materials in any of the three financial years of the Company ending on or before 31 December, 2004 shall not exceed 17% of the total turnover of the Company in the relevant financial year, be and is hereby approved;
- THAT the sale of gasoline and diesel oil, from 1 January, 2002, by the Company to China Petroleum Sales (Northeast) Company - Jilin Division, at a price to be determined by PetroChina Company Limited, in accordance with the terms and conditions of the waiver to be granted by the Stock Exchange of Hong Kong Limited and, in particular, such that the annual aggregate value of the sale of gasoline and diesel oil in any of the three financial years of the Company ending on or before 31 December, 2004 shall not exceed 35% of the total turnover of the Company in the relevant financial year, be and is hereby approved;
- THAT the Company's sale of petrochemical and other products (including but without limitation, ethylene, propylene, styrene, xylene, butadiene, 1-butene, naphtha, acetic acid and other miscellaneous products) to subsidiaries of PetroChina Company Limited ("PetroChina") from time to time, at the relevant prevailing market prices and on terms and conditions to be negotiated between the Company and the relevant subsidiaries of PetroChina, in the ordinary and usual course of business of the Company and in accordance with the terms of the waiver to be granted by the Stock Exchange of Hong Kong Limited and, in particular, such that the aggregate value of such sale of petrochemical products in any of the three financial years of the Company ending on or before 31 December, 2004 shall not exceed 33% of the total turnover of the Company in the relevant financial year, be and is hereby approved;
- THAT the board of directors be authorised to make applications to its holding company for the grant of loans on normal commercial terms (including but without limitation, on terms not higher than loan rate of commercial banks for the same period), if any details of such outstanding loans and interests will be disclosed in the financial reports of the Company;

As special resolution:

- THAT article 3 and 11 of the Company's articles of association be amended and approved from "Article 3 The Company's residence is: No. 31 East Zuyun Road, Jilin City, Jilin Province, China. Telephone: (432) 307 3651 Facsimile: (432) 303 7138" to "Article 3 The Company's residence is: No. 9 Longtan Street, Longtan District, Jilin City, Jilin Province, China. Telephone: (0432) 390 3651 Facsimile: (0432) 306 8982". The scope of business of the Company includes the manufacture and sale of the following products: petroleum products, dyestuff and dyes intermediates, synthetic rubber, chemical fertilizers and other chemical engineering products, and the development, transfer, and the provision of technical consultation services and other related services in relation to the production processes of the Company products. Subject to the provisions of the applicable laws in the PRC, the Company is empowered to raise or borrow money including, but without limitation, by the issue of bonds, and to mortgage or charge its undertaking or property or any part thereof, and to provide guarantees or give security for the obligations of any third party (including, without limitation, the Company's subsidiaries or associated

companies), in each case according to the discretion of the board of directors (except where the laws and administrative regulations require shareholders' approval), to the following:

- "Article 3 The Company's residence is: No. 9 Longtan Street, Longtan District, Jilin City, Jilin Province, China.
Telephone: (0432) 390 3651
Facsimile: (0432) 306 8982"

- "Article 11 The scope of business of the Company includes the manufacture and sale of the following products: petroleum products, petrochemical and organic chemical products, synthetic rubber, chemical fertilizers and other chemical engineering products, and the development, transfer, and the provision of technical consultation services and other related services in relation to the production processes of the Company products.

Subject to the provisions of the applicable laws in the PRC, the Company is empowered to raise or borrow money including, but without limitation, by the issue of bonds, and to mortgage or charge its undertaking or property or any part thereof, and to provide guarantees or give security for the obligations of any third party (including, without limitation, the Company's subsidiaries or associated companies), in each case according to the discretion of the board of directors (except where the laws and administrative regulations require shareholders' approval)."

This amendment will take effect following the approval of the relevant PRC government authorities.

By order of the Board
Zhang Lijun
Company Secretary

15 November, 2001

Registered address of the Company:-
No. 9 Longtan Street, Longtan District
Jilin City, Jilin Province
The People's Republic of China

Notes:-

- Holders of the Company's shares whose names appear on the register of members of the Company at the close of business on 1 December, 2001 are entitled to attend the Extraordinary General Meeting with their passports or other identity papers.
- Holders of H Shares should use the list of the register of members of the Company will be closed from 1 December, 2001 to 30 December, 2001, both days inclusive, during which period no transfers of the H Shares will be effective.
- Each shareholder who has the right to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies, whether they are members or not, to attend and vote on his/her behalf at the Extraordinary General Meeting.
- A proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
- The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing. If the instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of endorsement, and the proxy form must be delivered to the Company's Registrar, HKSCC Registrars Limited, 2nd Floor, Viewwood Plaza, 190 Des Voeux Road Central, Hong Kong not less than 24 hours before the time appointed for the holding of the Extraordinary General Meeting.
- Shareholders intending to attend the Extraordinary General Meeting must return the reply slip to the Secretary's Office of the Company by 9:00 a.m. on 10 December, 2001 personally or by mail, cable or facsimile, without any effect on their rights to attend the Extraordinary General Meeting.
- The Extraordinary General Meeting is expected to last half a day. Shareholders attending the Extraordinary General Meeting should be responsible for their own transportation and accommodation expenses.
- The details of the Secretary's Office of the Company are as follows:-

No. 9 Longtan Street
Longtan District
Jilin City
Jilin Province
The People's Republic of China
Postal Code: 132021
Telephone: (86) 432 390 3651
Facsimile: (86) 432 302 8126

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JILIN CHEMICAL INDUSTRIAL COMPANY
LIMITED

Dated: January 10, 2002

By: /s/Shi Jianxun
Name: Shi Jianxun
Title: General Manager

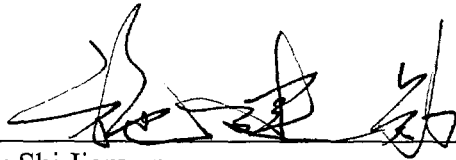
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JILIN CHEMICAL INDUSTRIAL COMPANY
LIMITED

Dated: January 10, 2002

By:

A handwritten signature in black ink, appearing to be 'Shi Jianxun', written over a horizontal line.

Name: Shi Jianxun

Title: General Manager